

IMPACT OF CONFIDENTIAL FACTOR ON INVESTORS PERCEIVED VALUE OVER MUTUAL FUND INVESTMENT

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ABSTRACT

The Investors Perceived value has involved three things, Quality, Benefit and Worth. Investors Perceived value is an investors perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes in use situations. The objective of study to know about the impact of confidence factor on the investors perceived value over the mutual fund offered by the four selected mutual fund company.

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INTRODUCTION

1.1 Investors Perceived Value

Investors Perceived value has been defined by many researchers according to their nature of study and understanding. The term comely defined that value is inherent in a product determined by the customer a trade-off between what the customer received from the product and what he sacrifices to acquire that product. The Investors Perceived value has involved three things, Quality, Benefit and Worth. Investors Perceived value is an investors perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes in use situations.

1.2 Objective of the Study

This study investigates investor's perceived value regarding the Net banking services offered by the four leading mutual fund investment company in Tiruchirappalli District. The following specific objectives are framed in order to carried out the study.

1. To know the effectiveness of investors confident over the mutual fund investment among four selected MF companies

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2. To study the impact of Confident attributes on investors positive perceived value over MF investment.

METHODOLOGY

The application of quantitative approach as systematic and structured, aimed at obtaining information from respondents in a direct, open manner. Results obtained from such an approach are easily quantifiable and has a potentially high degree of accuracy. This study is basically to know the relation of various independent variables on the investors perceived value of mutual fund investment of four selected MF companies in Tiruchirappalli district. Simple random sampling method was used to recruit the sample respondent from the four sample unit. the sample unit classified as SBI, ICICI, BIRLA SUN LIFE and HDFC as sample unit of the study. **Sample Area:** the study was carried out among the urban population of in Tiruchirappalli District. **Sample Size:** the sample size for this study was set at 478 mutual fund investors of four selected sample unit.

2.1 Binomial Logistic Regression – Impact of Confidential Factor on Investors Perceived Value Over Mutual Fund Investment

Table – 1: Omnibus Tests of Model Coefficients Shows the Chi-square Statistic and its Significance Level

Name of the Net Banking Services are Utilized		Chi-square	df	Sig.
SBI	Step	17.849	8	.022
	Block	17.849	8	.022
	Model	17.849	8	.022
IOB	Step	6.021	8	.645
	Block	6.021	8	.645
	Model	6.021	8	.645
IB	Step	21.168	8	.007
	Block	21.168	8	.007
	Model	21.168	8	.007
PNB	Step	22.056	8	.005
	Block	22.056	8	.005
	Model	22.056	8	.005
OVERALL	Step	26.577	8	.001
	Block	26.577	8	.001
	Model	26.577	8	.001

This above table shows the chi-square statistic and its significance level. In this example, the statistics for the Step, Model and Block are the same for all four selected banks of this study. The value given in the Sig. column is the probability of obtaining the chi-square statistic given that the null hypothesis is true. In other words, this is the probability of obtaining this chi-square statistic (17.849, 6.021, 21.168, 22.056 and 26.577) if

there is in fact no effect of the independent variables, taken together, on the dependent variable. This is, of course, the p-value, which is compared to a critical value, perhaps .05 or .01 to determine if the overall model is statistically significant. In this case, the model is statistically significant for SBI, BIRLA SUN LIFE and HDFC because the p-value is less than .000. However, the model is not significant for ICICI because the P-value is more than .000 ($p > .05$). By overall, this model is statistically significant.

Table – 2: Model Summary Shows the Variation Between Confidential Variables Based on the Classification of MF Company

Name of the MF Company	Step	2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
SBI	1	148.506 ^a	.138	.184
ICICI	1	160.334 ^b	.049	.065
BIRLA SUN LIFE	1	145.187 ^c	.162	.216
HDFC	1	144.299 ^d	.168	.224
OVERALL	1	638.844	.054	.072

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001 for split file Name of the net banking services are utilized = SBI.

b. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001 for split file Name of the net banking services are utilized = ICICI.

c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001 for split file Name of the net banking services are utilized = BIRLA SUN LIFE.

d. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001 for split file Name of the net banking services are utilized = HDFC.

This table contains the Cox & Snell R Square and Nagelkerke R Square values, which are both methods of calculating the explained variation. The explained variation in the dependent variable based on this model ranges from 18.1% to 13.8% among SBI, 6.5% TO 4.9% FOR ICICI Investors, 21.6 % to 16.2% for Birla sun life, 22.4% to 16.8% for HDFC and 7.2% to 5.4% of variation in the dependent variable for Overall investor depending on the reference the Cox & Snell R² or Nagelkerke R² methods, respectively.

Table – 3: Classification Shows the Effectiveness of Predicated Against Actual by MF Company

Name of the Mutual Fund (MF) Company	Observed		Predicted		
			I believe that net banking service offered by my banks is more convenient, safety, satisfy all my needs		
			Yes	No	Percentage Correct
SBI	Mutual fund investment is more convenient, safety, satisfy in all my future financial needs	Yes	69	9	88.5
		No	32	10	23.8
	Overall Percentage				68.5

ICICI	Mutual fund investment is more convenient, safety, satisfy in all my future financial needs	Yes	62	7	89.9
		No	40	11	21.6
	Overall Percentage				60.8
BIRLA SUN LIFE	Mutual fund investment is more convenient, safety, satisfy in all my future financial needs	Yes	66	12	84.6
		No	28	14	33.3
	Overall Percentage				66.7
HDFC	Mutual fund investment is more convenient, safety, satisfy in all my future financial needs	Yes	56	11	83.6
		No	27	26	49.1
	Overall Percentage				68.3
OVERALL	Mutual fund investment is more convenient, safety, satisfy in all my future financial needs	Yes	282	10	96.6
		No	179	9	4.8
	Overall Percentage				60.6

Binomial logistic regression estimates the probability of investors perceived value over their mutual fund investment are rated as nominal scale – yes/no. If the estimated probability of the event occurring is greater than or equal to 0.5 (better than even chance), the output classifies the event as occurring (customer has positive perceived value over the net banking services). If the probability is less than 0.5, it classifies the event as not occurring (investor has negative perception value over the mutual fund investment). It is aim to use binomial logistic regression to predict whether cases can be correctly classified (i.e., predicted) from the eight independent variables of convenient factor. The effectiveness of the predicted classification against the actual classification which are presented in the "Classification Table", as shown above. Based on observed value it is found that the predicated score 69 for positive perception over the mutual fund investment and 10 no positive perception over mutual fund investment among the SBI investors, the predicated score 62 for positive perception over the mutual fund investment and 11 no positive perception over the mutual fund investment among the ICICI customer, the predicated score 66 for positive perception over the mutual fund investment and 14 positive perception over the mutual fund investment among the BIRLA SUN LIFE customer, the predicated score 56 for positive perception over the mutual fund investment and 26 no positive perception over the mutual fund investment among the HDFC investors, and by overall the predicated score 282 for positive perception over the mutual fund investment and 9 no positive perception over the mutual fund investment based on the predictor of Convenient factor. it is concluded from the above classification table that is among the four mutual fund company, SBI, HDFC, and BIRLA SUN LIFE has positive perceived value over the mutual fund investment. Whereas ICICI has negative perception over the mutual fund investment offered by their company.

Table – 4: Wald Test Result Shows Significant Value of Confidential Variables of Customer Perceived Value Over Mutual Fund Investment Based on MF Company

Name of the Net Banking Services are Utilized		B	S.E.	Wald	df	Sig.	Exp (B)
SBI	Confidencial1	-.181	.277	.428	1	.513	.835
	Confidencial2	-.160	.310	.267	1	.606	.852
	Confidencial3	.071	.267	.071	1	.789	1.074
	Confidencial4	.509	.296	2.955	1	.086	1.663
	Confidencial5	.083	.274	.092	1	.762	1.086
	Confidencial6	-.341	.295	1.337	1	.247	.711
	Confidencial7	.066	.227	.083	1	.773	1.068
	Confidencial8	-.242	.203	1.424	1	.233	.785
ICICI	Confidencial1	-.073	.290	.063	1	.801	.930
	Confidencial2	.036	.240	.022	1	.882	1.036
	Confidencial3	-.218	.248	.772	1	.380	.804
	Confidencial4	-.008	.310	.001	1	.979	.992
	Confidencial5	.085	.240	.126	1	.723	1.089
	Confidencial6	.199	.196	1.026	1	.311	1.220
	Confidencial7	-.019	.244	.006	1	.937	.981
	Confidencial8	-.115	.203	.321	1	.571	.891
BIRAL SUN LIFE	Confidencial1	.010	.248	.002	1	.969	1.010
	Confidencial2	-.730	.335	4.745	1	.029	.482
	Confidencial3	.484	.282	2.949	1	.086	1.623
	Confidencial4	.357	.282	1.607	1	.205	1.429
	Confidencial5	.239	.281	.727	1	.394	1.270
	Confidencial6	-.071	.228	.098	1	.755	.931
	Confidencial7	-.300	.226	1.768	1	.184	.741
	Confidencial8	-.106	.215	.242	1	.623	.900
HDFC	Confidencial1	-.011	.257	.002	1	.965	.989
	Confidencial2	.766	.342	5.019	1	.025	2.152
	Confidencial3	-.109	.294	.137	1	.711	.897
	Confidencial4	-.401	.350	1.314	1	.252	.670
	Confidencial5	-.313	.349	.802	1	.370	.731
	Confidencial6	-.910	.383	5.634	1	.018	.402
	Confidencial7	.603	.346	3.041	1	.081	1.828
	Confidencial8	.268	.244	1.210	1	.271	1.307
Overall	Confidencial1	-.005	.120	.002	1	.968	.995
	Confidencial2	-.044	.123	.127	1	.722	.957
	Confidencial3	.036	.121	.087	1	.767	1.036

	Confidential4	.135	.127	1.138	1	.286	1.145
	Confidential5	-.117	.116	1.021	1	.312	.889
	Confidential6	-.026	.108	.058	1	.809	.974
	Confidential7	.009	.107	.008	1	.931	1.009
	Confidential8	-.108	.096	1.262	1	.261	.897

- **Confidential1:** I trust the fund managers' decision
- **Confidential2:** I confident over my scheme selection
- **Confidential3:** Low variability in predicting NAV
- **Confidential4:** I am satisfying over the MF Company services
- **Confidential5:** Very useful information from company
- **Confidential6:** Very sincere financial advice.
- **Confidential7:** Confident over the fund performance.
- **Confidential8:** Confident over the long term return

The Wald test ("Wald" column) is used to determine statistical significance for each of the independent variables confidential factor of Investors perceived value over mutual fund investment. The large Wald test value denotes the important of the variable which gives effect on customer has positive perception mutual fund investment. The above table it is under stood that the larger wald value correspondently significant. The lesser wald test value denote that variables insignificant and that variables not give any effect on positive perception over mutual fund investment.

From these results it can see that for a BIRLA SUN LIFE investors are significantly predicted the positive perception over mutual fund investment by the alone variable of "Confidential2: Confident over scheme selection ($W=4.745$, $df=1$, $p>.029$), whereas regarding HDFC investors opinion, the independent variable namely "Confidential2: confident over scheme selection" ($W=5.019$, $df=1$, $p>.025$), and "Confidential6: very sincere financial advice from the MF company" has significantly influence the investors positive perception ($W=5.634$, $df=1$, $p>.018$). None of the Confidential variables has emerged to create an influence the SBI and ICICI investors over the positive perceived value over the mutual fund investment. By overall none of the confidential variables has emerged to predict the positive perceived value over mutual fund investment.

CONCLUSION

It is concluded that among the four mutual fund company, SBI, HDFC, and BIRLA SUN LIFE has positive investors perceived value over the mutual fund investment. Whereas ICICI has negative perception over the mutual fund investment offered by their company. It is of paramount importance that investors do not make a rash decision simply by looking at the return figures generated by an individual fund, but investor belong to any mutual fund company must work out their personal calculation before selecting any scheme of any mutual fund company. This will help the investors to minimize the risk in return.

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APPENDIX

Graph – 1: Deviance Residual Plot Shows the Standardized Residual Value for Investors Perceived Value of Mutual Fund Investment by Confidential Factor

